received from any corporates/customers or otherwise to RBI and they are free to off-load the foreign exchange received in the market at market determined rates.

Action against Krushi Bank's Management

229. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether Andhra Pradesh Government has complained over the RBI officials' failure to take prompt action against Krushi Co-operative Bank Management causing great financial loss to depositors;

(b) if so, the action taken to overcome the problem of control and responsibility over the functioning of co-operative banks; and

(c) the steps taken to protect the interests of depositors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir.

(b) Does not arise in view of (a) above.

(c) Government of Andhra Pradesh had requested Reserve Bank of India (RBI) for permission under Section 115B of the Andhra Pradesh Co-operative Societies Act, to take the Krushi Co-operative Bank into liquidation. Accordingly, a requisition was issued by RBI. Registrar, Co-operative Societies, Andhra Pradesh has ordered liquidation of the bank of 16th October, 2001 and a liquidator has since been appointed. The claims of the depositors will be settled as per Deposit Insurance and Credit Gurantee Corporation Act as and when received from the liquidator.

New approach towards Financial Institutions/Banks

230. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he has stated in the Economic Editors' Conference that Government would take a "hands on" approach to State-owned financial institutions/banks; and

(b) if so, how this approach would be different from the existing policy which has been followed so far and how this is going to bring any qualitative change in the functioning of such financial institutions, both from the point of view of profitability and accountability?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL): (a) and (b) In the Economic Editors Conference held on 16.10.2001 there were several observations relating to functioning and health of financial institutions. In the light of the experience of the Government in the recent past, it was pointed out that Government would involve itself more in the close monitoring of the functioning and health of the financial institutions so as to avoid any emergency. Such a close monitoring by Government is also to bring in more transparency in the operations of the institutions and the consequent to improvement in profitability and accountability.

Domestic Savings

231. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that since 1995-96 net domestic savings ratio has been falling and it is also a contributory factor towards tardy growth of economy; and

(b) if so, whether Government are adopting any measure, both at the policy and execution levels to ensure that domestic savings are generated adequately so that investment climate, which substantially depends on domestic savings, could also improve?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) As per the data available with the Central Statistical Organisation (CSO) the trends in the Net Domestic Savings Rate (NDSR) measured in terms of net dometstic savings as a proportion of net dometic product at current market prices and growth rate in Gross Dometsic Product (GDP) at 1993-94 prices since 1995-96 were as follows:

	NDSR	GDP
	(in per cent)	
1995-96	16.8	7.3
1996-97	14.6	7.8
1997-98	15.0	4.8
1998-99	13.8	6.6
1999-00	14.3	6.4
2000-01	NA	5.2